



How to Plant Your Lifetime Earnings, and Make It Grow for You like Dollars on a Money Tree!

Robert G. Allen

Regarding your Lifetime Earnings . . .

There is Good News and Bad News.

Here's the Good News:

If you're an average person who is earning at least \$25,000 a year, then you'll earn in a lifetime **over a million dollars. YOU'RE A LIFETIME MILLIONAIRE! That's Great News.**

Congratulations!

Here's the Bad News:

If you're like most people, your million dollars of lifetime earnings will evaporate as fast as you earn it, day by day. And . . . after a lifetime of earning, you'll end up almost penniless. Now, that is really bad news—a lifetime of work and no money left to show for it.

But, it does not have to be that way for YOU!

You can plant a money tree in your own backyard and start heaping the harvest day by day, which will last your lifetime, and probably the lifetime of your kids and grandkids, too.

If this is so, then why doesn't everyone plant a money tree?

Frankly, nobody teaches us how to.

No one teaches the average person **MONEY 101.**

Have you ever had a class in money? Think of it. There are many critical money skills that people should learn to help them become financially successful. We look at our society and say, "It's so hard to get ahead!" and it is, but it does not have to be. Why isn't there a mandatory MONEY class in every elementary school?

Without a universal class in money . . .

How do people learn about money?

- Ever hear of **The School of Hard Knocks?** Well, sorry to say, but that's our national money school. That is Money 101 as taught in America, in fact, as taught world around, today. But it certainly should

not be and does not have to be that way for you. At *The Money School of Hard Knocks* you are invited to pick up a piece of good information here and a valuable tip there but with many dead ends, deadlines, and disappointments along the way – just like you are on a scavenger hunt. Accumulating money should not be at all like a scavenger hunt.

- Parents teach their money skills, or lack of them, and transmit the same money attitudes they have to their children. The results: **The Rich get Richer, and The Poor get Poorer**. That to most people is a fact of life that they teach their kids. But it does not have to be that way.
- The media, advertising giants, and even state governments promote spending money and getting big winnings from lotteries and game shows – like money is not something to earn, but to win – like money is not something to invest, but to spend – like money is a necessary evil, not a valuable contribution to society.
- Some businesses offer get-rich-quick systems that might work for the rich but fail miserably for the poor. “It takes money to make money” is a primary belief that is taught about money on the streets of hard knocks. When you go along with that attitude, then there are no get-rich possibilities that can work for you.
- You observe examples of friends and neighbors. What you see is an assortment of haphazard, mostly wrong, certainly out of context money facts, ways, and means.
- You read books about money – money management and investments. Most of them probably overwhelm you with details, or they bore you with useless facts. If you're like most, you're confused and frustrated.

What to do?

Understand that money is one of the most important subjects of your entire life.

Some of life's greatest enjoyments and most of life's greatest disappointments stem from your decisions about money.

Whether you experience great peace of mind or constant anxiety about money will depend on getting your finances under control.

Your relationships will be greatly affected. Ninety percent of all divorces in our society result from disagreements about money. **Understanding money—how to make it and keep it—is** absolutely essential to your life, to your relationships, to your happiness, and to your future.

What is the difference between the wealthy and the not-so-wealthy?

Some people seem to be naturally good at managing money. The same million dollars flows through their fingers, and yet, they seem to know how to keep some it and even make it grow — in some cases, a hundred fold more than the average person.

Do these people work 100 times harder?

Are they 100 times smarter?

Will they sacrifice everything for money?

Of course, not.

So what's the difference? They just know how to play the game. You see: **money is a game** — a very important game. If you know the rules, you win. If you don't know the rules, you lose. As someone said,

"Wealth is when small efforts produce big results.

Poverty is when big efforts produce small results."

Or as it has been said another way,

"Complaint is poverty!"

Some people with the greatest difficulties overcome them and become very wealthy as a result. When you learn how to triumph in one area, that know-how transfers to all other areas of your life.

What are your prospects of being a multi-millionaire!

In my books, you will finally learn how to play the money game — and win. If you follow the simple strategies I give you, you can retire a multi-millionaire, while enjoying a banquet of prosperity throughout your life.

- You will learn a simple system for controlling your finances.
- You will learn how to invest your surplus funds without losing sleep at night.
- You will learn how to create multiple streams of lifetime income.
- You will learn how to oversee your growing financial empire on as little as ten minutes a day.
- You will learn how to leave a financially secure future to your family and loved ones.

How do I know what your prospects are?

You are no different than I am. What has worked in my life can work in yours, too. I've been there and learned, and that is how I qualify to be your instructor. Granted the details of my story are uniquely mine, but the principles can apply to any situation, any era, or any person.

In the seventies, I started out, perhaps just like you, with a dream of becoming financially independent. After graduating with a Masters Degree in Business Administration (MBA) from Brigham Young University in 1974, I began investing in small real estate investments and parlayed a tiny nest egg into a large multi-million dollar net worth in a few short years. Along the way, I also suffered my share of setbacks. I've not only made millions, but lost millions . . . and made them back again. I know from the school of hard knocks what works and what doesn't.

I shared my powerful systems in the #1 *New York Times* bestseller, *Nothing Down: How to Buy Real Estate with Little or No Money Down*. This book became the all time real estate investment classic used by beginning investors ever since.

I also wrote two other major bestsellers, the #1 *New York Times* Bestseller, *Creating Wealth*, and *The Challenge*. In promoting this last book I made the bold statement:

"Send me to any unemployment line. Let me select three people who are out of work and discouraged. In two days time, I'll teach them the secrets of success, and in 90 days they'll be back on their feet with \$5,000 cash in the bank, never to set foot in an unemployment line again!"

The Challenge is the true story of how I selected those three people from the unemployment lines of St. Louis, Missouri, and taught them the secrets of financial success, and . . . yes, they were able to achieve incredible success in 90 days. One of the couples went on to earn over \$100,000 in the next 12 months. To celebrate, I took them on *Good Morning America* with me.

And now it is your turn to prosper.

What I am about to share with you is the result of having worked with thousands of successful people for more than two full decades. I have seen people go from living on the streets to living in mansions — from driving a taxi to being driven in limousines — from being miserable and destitute to being happy and fulfilled.

Although real estate investing is the vehicle for gaining wealth in my previous books, my latest books, *Multiple Streams of Income* and *Multiple Streams of Internet Income*, show you how to create wealth in many different ways from multiple sources. I present three great wealth-creation mountains. I call them Money Mountains. Each mountain is distinct from the others, and yet, each share similar characteristics. The mountains are: the Investment Mountain, the Real Estate Mountain, and the Marketing Mountain.

From this mountain range of Money Mountains, there are at least nine separate and distinct streams of income flowing into your growing reservoir of wealth. Each stream was carefully chosen using a formula I call the MONEY TREE Formula. In my book, *Multiple Streams of Income*, I teach you nine characteristics of the ideal stream of income. Then, I teach you exactly how to profit from each of these streams. The goal is for you to add at least one new stream of income to your life each year. Eventually, these streams will overflow your life with prosperity and freedom.

The first question people usually ask at this point is, "Why Multiple Streams?"

The Wisdom of Multiple Streams of Income

How many streams of income did it take in the 1950's for a family to survive?

One.

Today, very few families can survive on less than two streams of income. And that won't be enough in the future. It's a volatile future. You'd be wise to have multiple streams of income flowing into your life.

Prosperous people have always known this. If one stream dries up, they have many more to support them. Ordinary people are much more vulnerable. If they lose one of their streams, it wipes them out. And it takes them years to recover.

In the future, people will need a **portfolio of income streams** — not one or two — but many streams from completely different and diversified sources. So that if one stream goes, you barely feel the bump. You're stable. You have time to adjust. You're safe.

Do you have multiple streams of income flowing into your life at this time? Maybe it's time to add another one.

The Power of Residual Streams of Income

So let's assume that you've decided to add another stream of income to your life. You could always get another part-time job, but that's not the kind of income I'm talking about. You certainly don't want to get stuck on somebody else's treadmill. You want the kind of streams that you can own.

I'm talking about residual income. That's a fancy term for a "recurring" stream of income that continues to flow whether you're there or not. I've heard too many small business owners say, "I haven't taken a vacation in five years." There's something wrong with that picture. I don't have anything against hard work. But after a few short years of hard work, you should be free to have your streams of income forwarded to your mailbox in Tahiti. Get the picture?

Two Types of Streams: Linear and Residual

Not all streams of income are created equal. Some streams are linear, and some are residual. Here's the question that tells you whether your income streams are linear or residual:

"How many times do you get paid for every hour you work?"

If you answered, "only once," then your income is linear. Income streams from a salary are linear. You only get paid once for your effort. And when you don't show up for work, neither does your paycheck.

With residual income you work hard once, and it unleashes a steady flow of income for months or even years. You get paid over and over again for the same effort. Wouldn't it be nice to be compensated hundreds of times for every hour you work?

For example, as I mentioned earlier, I published a book in 1980 called *Nothing Down: How to Buy Real Estate with Little or No Money Down*. I put in over 1,000 hours of hard work writing *Nothing Down* before I earned a single penny. Teenagers working at McDonald's earned more than I did. But, I wasn't looking for a salary. I wanted a royalty. So I was willing to sacrifice. It took over two years before the money started to flow. But it was worth the wait. I've now earned millions of dollars in royalties. And every six months I still get nice royalty checks. That's the power of residual income — it keeps flowing and flowing.

Here's another example. Have you seen that tiny battery tester on the Duracell battery? I'm told that the inventor presented his idea to the big battery companies. Most turned him down, but Duracell saw the genius of it and agreed to pay just a few pennies per battery pack for his idea. And now he

makes millions, because those residual pennies add up. In essence, he invested many hours of his time to create the concept, to package it, and then to sell it. And now, it generates a raging river of residual riches to him and his family. And the best part about it: HE DOESN'T HAVE TO BE THERE! It flows without him.

Linear vs. Residual: Do you see the difference?

The secret of the wealthy is not that they have more money but that they have more TIME freedom. Because many of their streams are residual, they have time to spend on anything they want.

When you view people's lives through the filter of **residual** income, many groups of people aren't as wealthy as they appear. Doctors and dentists don't earn residual income from their labors. Their income potential is capped. They can only see a fixed number of patients in a day. And they have to be there for every single one of them. That's linear.

The same holds true for top sales people, chiropractors, and attorneys. Most of them don't enjoy the power of residual income either. They may appear to be rich, but they're on a treadmill just like most employees.

What percentage of your income is residual? If you're smart, you'll start shifting your income streams from linear to residual. This will give you the time freedom to do what you want when you want. So, start by turning on at least one new residual stream this year.

There are many, exciting new ways of creating residual income.

Do you know who Warren Buffet is? He's the smartest stock picker in history and the wealthiest investor in the world with a net worth in the tens of billions. What if Warren Buffet himself were to call you on the phone and give you a hot stock tip. He tells you to sink every penny into a certain stock. He says that he's invested a couple of hundred million of his own money, and he feels the stock is a sure bet to double or triple in value. What would you say to him? "Sorry, Warren, but I like to pick my own stocks by throwing darts at the *Wall Street Journal!*" Would you listen to the master, or would you continue to do things your own way?

Well, I'm no Warren Buffet, but through my books and seminars I've probably helped to create more millionaires than he has. If I were to guess, it's probably in the thousands of millionaires. And my *Multiple Streams of Income* book contains all of my "hot streams" for the new millennium — hot streams you can start profiting from in your life, now.

My book presents to you, in simple language and straightforward talk, the ideas where I've sunk a huge amount of my own time and effort. What I share with you are the best opportunities I've seen in 20 years. They are certain to create many residual millionaires in the next 10 years. You could be one of them.

The MONEY TREE Formula

The first step to picking the right income streams is to pass them through the filter of the MONEY TREE Formula — the nine essential characteristics of the ideal income stream

Having a Money Tree assumes that you have an effortlessly and continuously generating stream of cash flow which doesn't require your presence. In order to do this, you must be in a position to create, control, and own that stream of income. Another way of saying the same thing is you must become an entrepreneur — a businessperson. You may still retain your employee position, but on the side, as a way of protecting your long-term financial future, you need to create additional streams of income — ASAP.

On TV recently a couple was interviewed about being laid-off from their long-term job positions. The wife looked into the screen and said, with tears in her eyes, "For 17 years we worked hard for our security, and now we're out in the cold. It's not fair." I wanted to reach through the television set and tell her, that for 17 years she had the illusion of security. She wasn't secure—she just thought she was. Working for someone else, unless you own a piece of the profits, is not security. It's just the illusion of security.

If you're going to become a home-based entrepreneur, you'd better learn which businesses have the potential for creating lifetime streams of income and which ones are just a dead end way to make a few extra bucks before they peter out and die. I'd like to teach you a formula for the perfect business. I call it the MONEY TREE Formula, and it will be very easy for you to remember because it spells the word MONEY TREE.



M in the MONEY TREE Formula stands for

Multiple Streams of Income

The first goal in starting your own home-based business is to add another stream of income to your life as a safety net for when one of your streams of income dries up. But the home-based business you select should be a source of more than just one stream of income. It should eventually be a source of multiple streams of income all by itself.

For example, suppose you're considering buying an existing restaurant. What possibility will you have to grow?

- Can you add more shops?
- Can you franchise the business?
- Can a food entrée of yours be sold nationwide as a frozen item?
- Can you license your special cooking secrets to other restaurants?
- What about bottling and selling your special sauces?
- What about a cookbook?

Get the drift? Don't even consider a business that doesn't have expansion potential for additional streams of income. That's why the first **M** in the formula reminds you of **Multiple Streams of Income**.



O in the MONEY TREE Formula stands for

Outstanding product or service.

If your product, service, or information isn't distinguishably excellent, it will eventually become a casualty of competition. The goal of creating a money tree is to do the work once and to have the money flow to you for the rest of your life. What good does it do to create a business and eventually have it succumb to competition? In order for your source of income to survive through the next ten recessions — as there will be many more recessions in your lifetime — you must select a product, service, or source of information that has the possibility to be permanently and perpetually profitable. When times get tough, people gravitate either to price or to quality. Don't get stuck in the middle. That's a sure formula for disaster. And don't compete with the rest of the world on price. Make sure the quality of your produce is outstanding — the best in the world at a fair price. Thus, you will have a good opportunity of succeeding long-term.



N in the MONEY TREE Formula stands for

Nothing Down.

Why nothing down? Well, it doesn't have to be completely zero down — but as little of your own money as possible. If you're like most people, you probably don't have a couple of hundred grand lying around to invest in your business. But what if you have a nice chunk of cash, should you run out and find a business to match your money and launch in? I think one of the greatest curses is to have a lot of money to put into a new business.

Suppose you want to buy a hot franchise. It might cost you \$100,000 and that's just for the franchise rights. Then, you need to purchase inventory, leasehold improvements, special equipment. And what do you get? For most franchises, you get the right to be tied to a business 12 hours a day, to manage a lot of undereducated, under motivated employees, and make a steady paycheck for yourself. In a sense, you are just buying yourself a job. Why spend tens of thousands of dollars of your own money just to buy yourself a job with a lot of risk?

I'm going to show you businesses that you can launch with little risk, little or no money down, and the possibility of creating what I call "walk away" cash-flow — money that flows to you whether or not you show up.



E in the MONEY TREE Formula stands for

"Employee-resistant."

That's right! You don't want employees. Employees are dangerous! They begin to feel they are entitled to their jobs. ("You can't fire me. I own this job.") The rapid increase in employee/employer litigation should be enough to convince you that you want to find a home-based business that can be done by yourself, with a very low employee to income ratio.

I used to be the president of a seminar company with over two hundred employees. I made the decision to downsize when one of the employees sued me for age discrimination. He was in his late sixties when he came to work for us, and when we laid him off during an economic downturn he slapped us with a \$500,000 lawsuit. We settled out of court for \$2,000, but that was the last straw. I decided to never again put myself in a position where one disgruntled employee and a smart attorney could take it all away.

Today, I have zero employees. I make as much today as I used to make with 200 times less hassle. I like it that way. All of my streams of income can be monitored (in just a few hours a day) from a telephone anywhere in the world.

A friend of mine, Dan Kennedy puts it this way, "When it comes to employees, hire slow and fire fast." Most business people do just the opposite. They hire fast and fire slow. I say, try to find Money Tree businesses that don't require any employees, and then you don't have to worry about either hiring or firing.



Y in the MONEY TREE Formula stands for the world

"Yield."

The streams you choose should be high yielding, high-profit cash cows. Five years ago a friend of mine, Collette, started such a home-based business. In less than a year she was making about \$10,000 per month. What's more, this business was a Money Tree business. It generates cash flow even if she stops working! But why stop when she is having so much fun? Today, after five years, she has grown her business till she now earns over \$500,000 a year net, net, net.

What's the yield on that kind of income? It's the equivalent of having TEN MILLION DOLLARS in the bank earning only 5% interest! That's my idea of yield. In my *Multiple Streams of Income* book I share exactly how Collette did this. I also give other businesses that meet the same kinds of Money Tree characteristics.



T in the MONEY TREE Formula stands for the words

Trend and Timing.

Starting a business against the trend is like swimming up stream against the current. Running a business is hard enough without trying to swim upstream. But when you choose a business that is with the trend, it's like floating downstream with the current. So, how do you select a business that's on trend?

The first time I started a business was just after college. I started buying real estate. As luck would have it, the time was exactly right. The baby boomers wanted real estate, and the demand drove prices upward. Anyone who owned property made a killing. You could almost do no wrong.

Then, I started teaching people how to buy real estate with little or no money down. My little classified ads brought hoards of calls. It was a feeding frenzy. I

was on trend. My seminar businesses took in more than **a hundred million dollars** in the next decade.

The secret is to get in front of a trend and ride the wave. The biggest wave of our century is the Baby Boom – 76 million people. This generation is four times the size of the previous generation. As this mass of humanity rolls forward through time it creates a huge demand wave. Picking businesses which are at the leading edge of this age wave has created thousands of fortunes. You need to make sure that your new business is leading this trend and not following it. It can make a huge difference in your lifestyle.



R in the MONEY TREE Formula stands for

Residual.

We've already talked about the importance of residual income as a major part of the MONEY TREE Formula. But to emphasize this concept even further, let's compare it to an escalator. Have you ever walked up a Down escalator the wrong way? When you walk up the Down escalator, you have to walk fast just to stay in the same place. And to get to the top, you have to walk at double speed. People on the Up escalator don't have to work hard at all. They just stand there holding the handrail, and the escalator takes them to the top.

These two escalators represent the two kinds of income that you can earn: linear income and residual income. Our economy is a Down escalator. You work hard for your money, but with inflation you have to earn three to five percent more next year just to stay in the same place. But this puts you in higher tax brackets. The more you make the more taxes you pay. It seems you work harder and harder without making any progress. Your bank account balance earns two percent and your credit card balance costs you 20 percent. You're going in the hole 24 hours a day. You wonder why you can never catch up. And if you stop — the escalator just takes you right back down to the bottom.

That's what it's like to earn linear income. When I think of this kind of income, I think of how they catch monkeys in Africa. A native takes a coconut and cuts a hole in it, just big enough to allow a monkey's fist to enter. To the other end of the coconut the man attaches a long cord. He places a few peanuts inside the coconut, places the coconut in the middle of a clearing, and hides behind a tree to wait for the monkeys to come. The monkeys come and smell the peanuts inside the coconut shell. One monkey reaches inside the shell to grab the peanuts, but while holding the peanuts the monkey's fist is too large to escape the hole in the coconut. The native, then, yanks on the cord and hauls that silly monkey to captivity because the monkey will not let go of those peanuts to save his skin.

Are you working for peanuts?

If you're walking up the Down escalator, you are caught in a Monkey Trap. What you want is Up Escalator Income. Which escalator are you on?

Here's a list of the many types of residual income that you want to be exploring:

- Savers earn interest.

- Songwriters earn royalties on their songs.
- Authors, like myself, earn royalties from their books and tapes.
- Insurance agents get residual business.
- Securities agents get residual sales.
- Network marketers get residual commissions.
- Actors get a piece of the action.
- Entrepreneurs get business profits.
- Franchisers get franchising fees.
- Investors get dividends, interest, and appreciation.
- Visual artists get royalties from their creations.
- Software creators get royalties.
- Game designers get royalties.
- Inventors get royalties.
- Partners can get profits.
- Mailing list owners get rental fees.
- Real estate owners can get cash-flow profits.
- Retired persons can get pensions.
- Celebrity endorsers get gross percentage profits.
- Marketing consultants get a percentage of the profits or gross revenue.

When you go to bed tonight, ask yourself this question, "What percentage of my day did I spend creating residual income?"

If the answer is zero, you're in trouble. You'd better wakeup tomorrow and get busy.

You will find out more on residual income in my book, *Multiple Streams of Income*. I hope, now, you see why residual income in the MONEY TREE Formula is so vital to your life and well being.



E in the MONEY TREE Formula means

Essential to Everybody Everyday.

Whatever you sell, try to pick something that is essential or is perceived as essential by a large and very motivated segment of society. Let me give you the real reason that real estate has always been a great wealth creation vehicle and a prime source of residual income for hundreds of thousands. It fits the MONEY TREE Formula. Check it out for yourself, and you'll see why.

Whatever product you choose to market just make sure it's essential. The more people need it and the more often they need it, the more successful your business can become.



E in the MONEY TREE Formula stands for

Enthusiasm.

You've got to love what you do. If you hate what you sell, you'll never be any good at it. The prime admonition from Gary Halbert, one of the all time great marketing gurus, is this: "SELL WHAT YOU LOVE." The truth is, you'll never be truly great unless you do.

Well, there you have the nine major characteristics of the MONEY TREE Formula. These nine characteristics are essential to the kind of hands-off, hassle-free businesses that create lifelong streams of cash flow.

As a final note:

In my book, *Multiple Streams of Income*, we'll explore in depth the nine practical businesses, which fit this formula perfectly. I start with the basics, and help you build a strong foundation for wealth. Then, I expand into the nitty-gritty strategies and techniques for developing nine separate streams of income. Finally, I finish with strategies and techniques for protecting these burgeoning streams of income.

Like *Nothing Down* and *Creating Wealth*, I believe that *Multiple Streams of Income* will become a long-term perennial bestseller. I'm anxious to bring it to those of you who are desperate to learn how to obtain lasting wealth and gain the freedom this affords you.

I know the benefits of multiple streams of income. I know they can work for you as they have worked for me.

There is no difference between us in our wealth building capabilities. It is just applying the MONEY TREE Formula to your life, as I have to mine, and then watching it grow wealth for you.

Congratulations, the Good News is YOU are Now Ready to Be Prosperous for the Rest of YOUR Life! So, Be as Prosperous as YOU Want to Be.

